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For Immediate Release
(TSX-VEN: VGL)

Vigil Reports Profitable Third Quarter

February 9, 2021 (Victoria, British Columbia) – Vigil Health Solutions Inc. (“Vigil”) announces the results of operations for the quarter ending December 31, 2020.

Developments in the Quarter

- Revenue of \$1.76 million compared to \$1.01 million in the three month period ended December 31, 2019.
- Earnings before income taxes were \$225 thousand compared to losses of \$228 thousand in the three month period ended December 31, 2019.
- Sales bookings for the quarter were \$1.05 million compared to \$1.40 million in the three month period ended December 31, 2019.
- Adjusted EBITDA of \$313 thousand compared to negative Adjusted EBITDA of \$189 thousand in the three months ended December 31, 2019.

“We were pleased to see a strong quarter including the completion of projects delayed in the early days of the pandemic. Once again we owe a tremendous gratitude to our project team who successfully completed a number of large installations while navigating the additional challenges presented by COVID-19. As well, during this quarter we saw very positive results from our annual customer survey and our staff survey. Vigil was built on a culture of caring and in 2020, the unprecedented adversity experienced, highlighted the benefits a collaborative and trusting team brings to the workplace and our customers.

We have also maintained our commitment to providing innovative, purpose-built technology. In October, the Company entered into an agreement with the Government of Canada to secure funding to assist in the development of technology for the changing senior care environment. We expect continued market challenges in 2021, but we are hopeful that the current push to vaccinate long term care and senior living residents will be a turning point for our clients and their residents,” stated Troy Griffiths, President and CEO of Vigil Health Solutions Inc.

Financial Results

Revenue for the three months ended December 31, 2020 was \$1.76 million up from \$1.01 million in the three month period ended December 31, 2019. Project revenue made up 60% of total revenue compared to 33% in the prior year; the remaining revenue came from follow on standalone sales to existing customers. These sales include software maintenance billings and replacement products including wireless devices and communication equipment.

Prior to COVID-19, industry wide labour shortages had resulted in delays in construction schedules and project completion dates. This was reflected in the low number of installation projects completed in the period ending December 31, 2019. In March we saw further construction and renovation projects temporarily halted as part of global efforts to prevent the spread of COVID-19. The pandemic continues to cause interruptions however, a number of the delayed projects closed in the current quarter. This combined with some large, high value projects resulted in the 74% increase in revenue.

Sales bookings for the quarter were \$1.05 million compared to \$1.40 million in the three month period ended December 31, 2019. The majority of sales in the quarter were expansion projects for existing corporate accounts. These retrofits and additions are generally smaller than new construction resulting in lower sales bookings.

At December 31, 2020 Vigil had a backlog of approximately \$3.11 million (including \$1.80 million in deposits and progress billings, recorded as deferred revenue on the balance sheet), a 10% decrease compared to approximately \$3.44 million (including \$1.25 million in deposits and progress billings recorded as deferred revenue on the balance sheet), at December 31, 2019. The Company's backlog is the total estimated revenue for contracts which are signed and have not been completed (and may not have commenced).

The gross margin percentage was 50% for the three months ended December 31, 2020 compared to 56% for the three months ended December 31, 2019. Margin fluctuates depending on product mix. Approximately 3% of the decline reflected a change in allocation of installation and operational staff's administrative time from operating expense to cost of goods. Management made this change to better reflect cost of goods, operating expense and business practice.

Operating expenditures for the three months ended December 31, 2020 were \$603 thousand down 23% from \$785 thousand for the period ended December 31, 2019. The decrease reflects a decline in sales and marketing expenses including reduced travel and promotional expenses due to tradeshow cancelations and other COVID-19 restrictions. The Company also entered into an agreement with the Government of Canada which provides research and development funding, recognized as a deduction to payroll expense. The allocation of installation and operational staff's administrative time to cost of goods further reduced operating expense.

Earnings before income taxes were \$225 thousand compared to losses of \$228 thousand in the three months ended December 31, 2019. Net earnings and comprehensive income were \$158 thousand or \$0.009 per share compared to a net loss of \$228 thousand, or \$0.013 per share in the three months ended December 31, 2019.

Detailed financial statements along with Management Discussion and Analysis have been filed with SEDAR (www.sedar.com).

Financial information will be mailed to entitled security holders on February 26, 2021, or, upon notice to the Company, entitled security holders may request a copy of financials in advance.

Summary Financial Information

	Three months ended		Nine months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue	\$ 1,762,886	1,011,883	4,387,460	3,561,356
Cost of sales	876,389	450,165	2,103,845	1,618,424
Gross profit	886,497	561,718	2,283,615	1,942,932
Expenses	603,235	785,406	1,558,926	2,408,343
Earnings (loss) before the following items	283,262	(223,688)	724,689	(465,411)
Other income (expense)	(57,898)	(4,698)	(119,997)	7,493
Earnings (loss) before income taxes	225,364	(228,386)	604,692	(457,918)
Income taxes	(67,532)	-	(180,714)	-
Net earnings (loss) and comprehensive earnings (loss) for the period	\$ 157,832	(228,386)	423,978	(457,918)

Non-IFRS Measure

For the three months ended December 31, 2020, we are disclosing Adjusted EBITDA, a non-IFRS financial measure, as a supplementary indicator of operating performance. We define Adjusted EBITDA as net income before interest, income taxes, amortization excluding amortization of right of use asset for the lease on the Company's head office, stock based compensation and currency gains or losses including derivative foreign exchange differences. We are presenting the non-IFRS financial measure in our filings because we use it internally to make strategic decisions, forecast future results and to evaluate our performance and because we believe that our current and potential investors and analysts use the measure to assess current and future operating results and to make investment decisions. It is a non-IFRS measure, may not be comparable to other companies and it is not intended as a substitute for IFRS measures.

Adjusted EBITDA Reconciliation

		Three months ended		Nine months ended	
		Dec 31,	Dec 31,	Dec 31,	Dec 31,
		2020	2019	2020	2019
Income for the period	\$	157,832	(228,386)	423,978	(457,918)
Add / (deduct)					
Foreign exchange		55,795	14,151	116,851	17,235
Change in fair value of derivative		(1,908)	(326)	(6,698)	(762)
Interest		4,011	(9,127)	9,844	(24,375)
Tax		67,532	-	180,714	-
Share based payments		19,753	22,374	53,899	86,685
Amortization		9,938	12,095	32,394	36,605
		155,121	39,167	387,004	115,388
Adjusted EBITDA	\$	312,953	(189,219)	810,982	(342,530)

About Vigil Health Solutions Inc.

Vigil offers a proprietary technology platform combining software and hardware to provide comprehensive solutions to the expanding seniors' housing market. Vigil has established a growing presence in North America and an international reputation for being on the leading edge of systems design and integration. Vigil's objective is to offer solutions for the full continuum of care. Vigil's product range includes the innovative wireless Vitality Care System™ featuring discreet 'mini pendants', a nurse call system, mobile fall and incontinence monitoring, resident check in and the award-winning Vigil Memory Care System.

Certain statements contained in this news release that are not based on historical facts may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). These forward-looking statements are not promises or guarantees of future performance but are only predictions that relate to future events, conditions or circumstances or our future results, performance, achievements or developments and are subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause our actual results, performance, achievements or developments in our business or in our industry to differ materially from those expressed, anticipated or implied by such forward-looking statements.

Forward-looking statements include all financial guidance, disclosure regarding possible events, conditions, circumstances, or results of operations that are based on assumptions about future economic conditions, courses of action and other future events. We caution you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. These forward-looking statements appear in a number of different places in this presentation and can be identified by words such as "may", "estimates", "projects", "expects", "intends", "believes", "plans", "anticipates", or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the introduction or enhancement of our services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, the outcome of legal proceedings, and other expectations, intentions and plans that are not historical fact.

The risk factors and uncertainties that may affect our actual results, performance, achievements or developments are many and include, amongst others, our ability to develop our sales force and generate revenue, the length of the sales cycle, management of the Company's growth, ability to recruit and retain staff, fluctuations in demand for current and future products, our ability to develop, manufacture, supply and market existing and new products that meet the needs of customers, volatility in the exchange rate, ability to secure financing, ability to secure product liability insurance, the continuous commitment of our customers, increased competition, changes in regulation and reliance on third party suppliers. These risk factors and others, including the updated risks related to the COVID-19 pandemic, are discussed in the Risks and Uncertainties section of our "Management Discussion and Analysis" segment of our fiscal 2020 Annual Report. Many of these factors and uncertainties are beyond the control of the Company. Consequently, all forward-looking statements in this news release are qualified by this cautionary statement and there can be no assurance that actual results, performance, achievements, or developments anticipated by the Company will be realized.

We caution readers that the risks described are not the only ones that could impact the Company. We cannot accurately predict the full impact that COVID-19 will have on our business, results of operations, financial condition or the demand for our services, due in part to the uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the steps our customers and suppliers may take in current circumstances, including slowing or halting operations, the duration of travel and quarantine restrictions imposed by governments of affected countries and other steps that may be taken by such governments to respond to the pandemic. Additional risks and uncertainties not currently known to us or that are currently deemed to be immaterial may also have a material adverse effect on our business, financial condition, or results of operations.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.